

Data Sheet

USAID Mission:	Kosovo
Program Title:	Private Sector Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	167-0130
Status:	Continuing
Planned FY 2005 Obligation:	\$5,500,000 AEEB
Prior Year Unobligated:	\$124,000 AEEB
Proposed FY 2006 Obligation:	\$6,289,000 AEEB
Year of Initial Obligation:	1999
Estimated Year of Final Obligation:	2008

Summary: USAID's private sector growth program promotes competitiveness in targeted cluster groups and facilitates not only the need to increase production, but also to enhance product quality, improve processing procedures and practices, make efficient use of resources, and expand market opportunities. Assistance will focus on ways to improve management, rationalize operations, and attract domestic and foreign investment capital. A second focus is support to business associations and other organizations by enhancing their ability to provide meaningful input in the development of economic policies and laws. Assistance will also be provided to strengthen indigenous business service consultants and business training providers so that they become established in the market.

Inputs, Outputs, Activities:

FY 2005 Program: Increase Private Sector Growth (\$5,500,000 AEEB, \$124,000 AEEB carryover). The USAID program will increase the capacity of local enterprises to manufacture and produce products that can satisfy local and foreign markets on a sustainable basis. Assistance will be given through training and technical assistance in three targeted clusters groups: dairy/meat/poultry; fruits and vegetables; and construction materials. Technology transfer, quality control, adherence to international standards, and access to market information will be the elements of program support. On an industry level, efforts will focus on creating efficiencies in the production chain and promoting cooperation among all cluster participants. To promote regional trade, business-to-business meetings, study tours, and trade fairs will be organized. Access to private finance will be improved through the development of new financing structures and by helping profitable businesses demonstrate credit worthiness through business plans and financial statements. Development Credit Authority (DCA) resources, if made available, will supplement private finance in supporting businesses. An added focus will be training and technical assistance in adherence to international grades and standards. Cluster organizations and producer/processor associations being assisted will receive small grants for such things as upgrading existing facilities to assist with test marketing, to help meet food safety or environmental requirements, to demonstrate new technology, to help organize the promotion of a product or products, and to enable producer participation in a Kosovo fair or trade show. Business development support will assist the private sector in working with government authorities to create an enabling environment for business in Kosovo by: focusing businesses and associations lobbying for appropriate laws and regulations; seeking clarity in existing legislative language; and ensuring the laws make sense for both business and society. Contractors: Chemonics (prime), Crimson Capital Corporation (sub), International Fertilizer Development Center (IFDC) (sub), and, The Service Group (TSG) (sub).

FY 2006 Program: Increase Private Sector Growth (\$6,289,000 AEEB). USAID's program will deepen and intensify its activities with client cluster group members with whom interactions were initiated in FY 2005. Based on diagnostic assessments this will involve, but not be limited to, development of such business skills as strategic planning, managerial proficiency, and access to market information. Assistance to producers will include introduction to and adoption of improved, appropriate production technologies. Assistance in business planning, quality control, and marketing techniques will be expanded in all the targeted clusters. Based on experience gained in FY 2005, the program will focus on expanding and strengthening capacity, building linkages and partnerships among stakeholders that have proven to be effective. Support for the adoption and implementation of international industry standards

will intensify. Cluster organizations and producer/processor associations being assisted will continue to receive small grants and DCA resources to facilitate organizational development, marketing, product development, technology transfer, and information extension. Contractors are the same as for FY 2005.

Performance and Results: Two completed USAID projects in FY 2004 contributed to increased quality and competitiveness for selected local products, increased firm profitability, and employment generation within the producer and processor community. These two projects laid the foundation for the recently initiated program. While overall progress in developing a market economy has been considerable, the private sector in Kosovo is not yet dynamic or competitive. The Standards Law passed in 2004 with USAID assistance created the opportunity to develop competitive industries producing goods that are marketable domestically as well as regionally. Emerging business organizations were strengthened by the activities under the recently concluded projects and credit opportunities have increased, although slowly. Over 300 businesses received training and technical assistance. Local companies concluded more than \$4.1 million in business deals that are facilitating Kosovo's integration into regional markets.

More than 2,000 farmers were introduced to improved production technologies through training, demonstrations, and individual technical assistance. Significant improvements in quality, market share and production in milk, eggs, and poultry resulted from program interventions in FY 2004.

US Financing in Thousands of Dollars

Kosovo

167-0130 Private Sector Growth	AEEB
Through September 30, 2003	
Obligations	87,032
Expenditures	78,092
Unliquidated	8,940
Fiscal Year 2004	
Obligations	5,375
Expenditures	9,813
Through September 30, 2004	
Obligations	92,407
Expenditures	87,905
Unliquidated	4,502
Prior Year Unobligated Funds	
Obligations	124
Planned Fiscal Year 2005 NOA	
Obligations	5,500
Total Planned Fiscal Year 2005	
Obligations	5,624
Proposed Fiscal Year 2006 NOA	
Obligations	6,289
Future Obligations	0
Est. Total Cost	104,320